

never reached for individual awards and recognition, as often is the case in today's society. They worked together as a cohesive unit to accomplish something greater than any individual award, and as a result they are all champions. During their championship run they displayed values and character that we as Americans hold so dear. They were determined, worked hard, showed heart, displayed teamwork, and were consummate sportsman.

I would also like to take this time to applaud the local community which rallied around the team. I must say that I am extremely proud to represent a group of people who still hold family values and a sense of community in such high regards.

Mr. Speaker, I hope that you will join me in saluting the fine group of talented young men from Giles County, Tennessee. These young men show maturity beyond their years, and represent what is good with our country's youth.

IN RECOGNITION OF THE DISTINGUISHED ALUMNI OF ASBURY PARK HIGH SCHOOL

**HON. FRANK PALLONE, JR.**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 8, 2003*

Mr. PALLONE. Mr. Speaker, I would like to call the attention of my colleagues to a number of people I am proud to represent from the sixth district of New Jersey. On Friday, April 11th, 2003, Asbury Park High School will induct its first class of distinguished alumni into its Hall of Fame. These individuals are being honored for their commitment to the mission of Asbury Park High, which is to promote the educational, physical, and social well being of children of Asbury Park. In their own way, each of these extraordinary people have encouraged and inspired the students of Asbury Park to strive for excellence, and become our future leaders and role models.

Mr. Speaker, on this day I ask my colleagues to rise in honor of these unique individuals for the invaluable services that they provide to their community:

Mr. Joseph Agris, Mr. C Regan Almonor, Esq., Mr. Frank Buddy, Ms. Judith Coleman, Mr. James Coleman, Mr. John Hayes, III, M.D., Mr. Lorenzo W. Harris, Jr., M.D., Dr. Benjamin Moffett, Mr. Jules Plangere, Jr., Mr. Joseph Reed, Jr., Dr. Phillip Schien, M.D., Mr. Thomas Schebell, Jr., Mr. Stanley Smith, Esq., Mr. Thomas Smith, Sr., Mr. Thomas Smith, Jr., Ms. M. Monica Sweeney, Mr. Carl Williams, and Mr. Melvin Wilmore.

INTRODUCTION OF THE PENSION BENEFITS PROTECTION ACT

**HON. BERNARD SANDERS**

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 8, 2003*

Mr. SANDERS. Mr. Speaker, today, all across this country, American workers and the middle class are under severe attack. Unemployment is rising, our manufacturing base is collapsing, health care costs for workers are soaring, the minimum wage has not been

raised for years and the decline of the stock market has devastated the retirement plans for millions of workers. And now, on top of all of that, the Bush administration and corporate America and the CEOs who receive compensation packages are attempting to destroy the pensions that have been promised to millions of American workers.

In response, I am introducing the Pension Benefits Protection Act to protect the pensions of American workers with 117 original cosponsors. This legislation has been endorsed by the AARP representing more than 35 million Americans, the AFL-CIO representing more than 13 million American workers, the Pension Rights Center and the Communication Workers of America. I have attached the statements of David Certner, AARP Director of Federal Affairs, and Richard Trumka, Secretary Treasurer at the AFL-CIO, in support of this legislation for inclusion in the CONGRESSIONAL RECORD.

Those of us in Congress who care about this issue, along with the grass roots organizations, will do everything we can to see that workers in America do not see their pensions slashed by up to 50 percent as a result of cash balance conversions.

The Pension Benefits Protection Act requires the Department of Treasury to withdraw proposed cash balance conversion regulations that would give companies the green light to violate the pension age discrimination laws that are on the books. The legislation would also require companies that convert to cash balance plans to allow older workers and those with at least 10 years on the job the choice to remain in their traditional pensions. Specifically, this legislation does 2 things:

First, it requires companies that convert to cash balance plans to allow workers who are at least 40 years old or have at least 10 years of service the choice to remain in the traditional defined benefit pension plan that was promised to them when they started working for the company. In other words, they cannot be forced into an inferior plan.

When a company makes a promise to its employees regarding their pension benefits, it must not be able to pull the rug out from under its employees by cutting their pension benefits in mid-stream. Companies receive some \$100 billion in tax incentives to set up these pension plans. Given that reality, Congress must allow older workers or those with at least 10 years of service the option to remain in their traditional defined benefit pension plan.

Secondly, this legislation requires the Bush administration to immediately withdraw all of their proposed cash balance pension regulations that, if finalized, would give companies the green light to commit age discrimination against older workers by converting to cash balance schemes. Just yesterday, the Treasury Department withdrew a portion of the proposed regulations dealing with highly compensated employees. While, in my view, this is a step in the right direction, the Administration must go further and withdraw all of these proposed regulations, and require all companies that convert to cash balance plans to protect older workers. We do not tolerate discrimination against workers based on race, based on gender and based on other criteria, and we will not tolerate discrimination based on age. Last January, in a letter to the President, 217 Members from both the House and the Senate made that very clear.

Through my involvement with the IBM cash balance conversion, I have heard from thousands of workers throughout the country who have expressed their anger, their disappointment, and feelings of betrayal by cash balance conversions. These are employees who had often stuck with their companies when times were tough. These were employees who had often stayed at their jobs precisely because of the pension program that the company offered. And, these are the same employees who woke up one day to discover that all of the promises that their companies made to them were not worth the paper they were written on.

Instead of providing protections for these workers, President Bush has proposed regulations on cash balance plans that would devastate the traditional pension benefits of millions of employees in large companies throughout the United States.

The White House policy on cash balance pension plans is a direct assault on the retirement plans of millions of American workers. Hundreds of companies all across America have already reneged on the retirement promises they made to their employees by switching to cash balance pension plans. If the White House proposal is allowed to stand, it will give the green light to hundreds more—resulting in financial disaster for workers all across the country who will not be receiving the pensions they were promised.

Of the 44 million Americans with traditional defined benefit plans, some 8 million employees with \$334 billion in pension fund assets have been impacted by cash balance pension conversions. According to the General Accounting Office, older employees can have their pensions slashed by up to 50 percent by a cash balance scheme.

The Equal Employment Opportunity Commission has received over 1,000 age discrimination complaints from workers in over 30 different companies who have been negatively impacted by these schemes.

According to the Labor Department's Inspector General, companies that have converted to a cash balance scheme are illegally slashing the pension benefits of their employees by as much as \$199 million each and every year. Even worse, the Inspector General found that the Federal Government was not enforcing the pension laws and regulations that are on the books when companies shift to cash balance.

The courts have ruled that Xerox, Georgia Pacific and the Bank of Boston illegally slashed over \$300 million in pension benefits of more than 20,000 employees by converting to a cash balance plan.

Last July, 308 Members of Congress voted in favor of an amendment that I offered to prohibit the IRS from using any funds that are in violation of the pension age discrimination laws that are on the books when companies shift to cash balance schemes.

According to the President's spokesman Ari Fleischer, criticisms that cash balance plans hurt older workers are "not valid."

Well, tell that to Larry Cutrone, a 54-year-old employee from New Jersey, who worked for AT&T for 28 years, who woke up one day to find that his pension had been slashed by over 50 percent as a result of a cash balance conversion.

Tell that to House Majority Leader TOM DELAY, Speaker of the House DENNIS